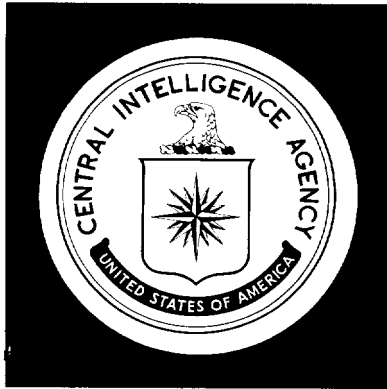


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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

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14 April 1972
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The WEEKLY SUMMARY, issued every Friday morning by the Office of Current Intelligence, reports and analyzes significant developments of the week through noon on Thursday. It frequently includes material coordinated with or prepared by the Office of Economic Research, the Office of Strategic Research, and the Directorate of Science and Technology. Topics requiring more comprehensive treatment and therefore published separately as Special Reports are listed in the contents pages.

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INDOCHINA

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MORE FIGHTING IN THE SOUTH

Hanoi's spring offensive still had plenty of momentum this week. Although the drive in the northern part of South Vietnam slowed and the anticipated push in the central highlands failed to materialize, Communist forces struck hard across the Cambodian border north of Saigon and stepped up attacks in the Mekong Delta. The deployment of Communist troops indicates that heavy attacks are in store in each of the major sectors.

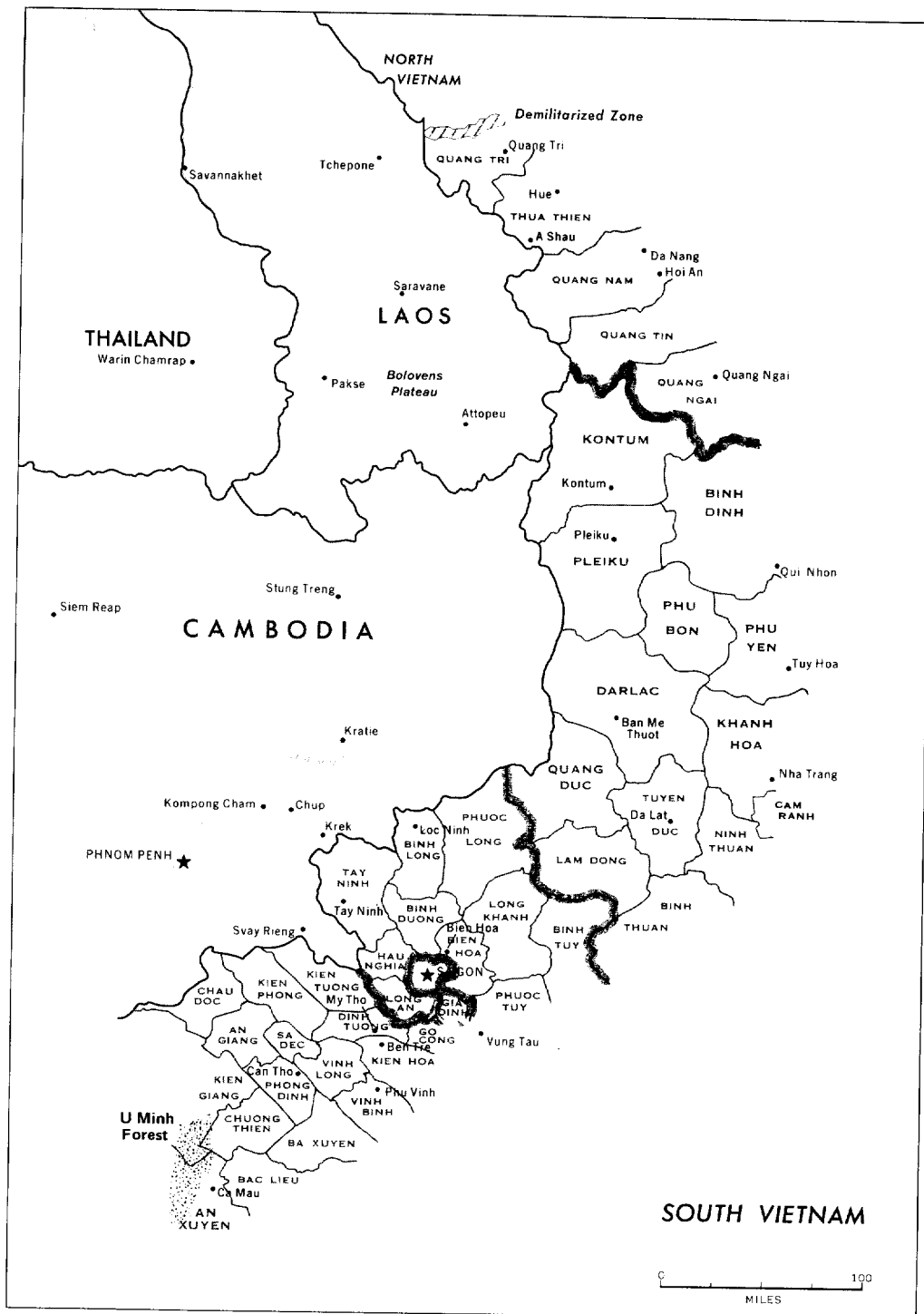
Their positioning is similar to that observed in the early stages of the 1968 Tet offensive. As in 1968, the biggest concentrations are in the north. The North Vietnamese 304th and 308th

divisions are still threatening Quang Tri city, despite considerable losses, and the 324B Division is near Hue. Opposing them are the weakened South Vietnamese 3rd Division in Quang Tri, now reinforced by Vietnamese Rangers and Marines, and the elite 1st Division and Ranger units around Hue. South Vietnamese commanders have claimed a number of battlefield successes and are expressing confidence that they can contain the enemy assaults if US air support continues.

In the central highlands, the North Vietnamese have now moved strong forces well into Kontum Province. The South Vietnamese 22nd Division in Kontum has been reinforced with two Airborne brigades from the general reserve, and parts of another infantry division, the 23rd, could

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be moved to the province from farther south in the highlands.

The three South Vietnamese divisions assigned to Military Region 3 have not been able to contain the enemy there and are being reinforced with an Airborne brigade and the 21st Division from the Mekong Delta. ~~South Vietnamese leaders are particularly concerned with what seems to be a Communist attempt to seize and hold territory in Binh Long Province.~~ By late in the week, the Communists controlled most of the northern half of the province and have been blocking reinforcements heading toward An Loc, the provincial capital. In the delta, recently the most secure part of the country, the balance of opposing forces has shifted significantly with the departure of the South Vietnamese 21st Division and the arrival of several enemy main-force regiments from Cambodia.

With these moves, both the North Vietnamese and the South Vietnamese have now moved most of their available reserves onto the battlefield. The opposing armies are still a long way from being fought out. Both are regrouping for more action and have many units that have not been seriously damaged or even involved to any great extent in the fighting.

South Vietnamese Remain Calm

The populace outside the fighting areas has generally remained calm. There have been some signs of heightened concern in Saigon, including a rise in some prices, but business continues as usual. To the north, in Quang Tri and Thua Thien provinces, popular morale appears to have risen in recent days as South Vietnamese forces have checked the enemy advance. Local officials and community leaders are engaging in defense and refugee relief efforts, and representatives of all the area's major political elements have set up a new anti-Communist front group in Hue.

Many political groups have denounced the offensive. Some of these denunciations appar-

ently have been instigated by the government, but others seem to have been spontaneous. Some opposition groups appear to be muting their criticism. Even the An Quang Buddhists and militant students are cooperating in refugee relief efforts. They are acting more out of concern over the situation and because of their hostility toward the Communists than out of any greater commitment to President Thieu, and it seems unlikely that the offensive will cause them to soften their opposition to Thieu over the long term.

HANOI GETS SOFT ANSWERS

The North Vietnamese on 11 April called on allies and friends abroad to do more to help their fight against "US imperialism." The appeal was issued as a government communiqué addressed to the "governments and peoples of the fraternal socialist countries" and to Hanoi's supporters around the world. In it, the North Vietnamese urged their backers to "take timely actions to check the US aggressors" and "to extend even stronger assistance" to the struggle in all three parts of Indochina.

Hanoi has been concerned that none of the statements volunteered by the Soviets and the Chinese during the current offensive has come close to the fervor of their propaganda support during Operation Lam Son 719 last year or the Cambodian crisis in 1970. More than usually sensitive to such nuances, the North Vietnamese apparently believed that some special prompting was necessary to secure more enthusiastic public backing. Presumably, the North Vietnamese were pressing for the most ringing statement possible from both partners and made sure of a response by asking for special interviews at the highest possible levels in both capitals. Both Brezhnev and Chou En-lai responded, but both responses probably fell far short of Hanoi's hopes.

Chou En-lai's remarks in his interview with the North Vietnamese chargé were measured, correct, and not belligerent. He appeared to be trying to avoid giving real offense to Hanoi without

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going much beyond the minimum called for by the circumstances. He pledged all-out support and assistance to the Vietnamese in carrying the war "through to the end," but this formulation has long been standard in the Chinese lexicon; it commits Peking to no particular course of action and continues to place the burden—and the responsibility—for prosecuting the war on Hanoi. For the first time, Chou indicated that the Chinese were "closely following" the development of the current situation, but even this formulation does not rank especially high on the Chinese scale of rhetoric.

Moscow has so far failed to mention the statement explicitly. The atmospherics of the meeting between Brezhnev and the North Vietnamese ambassador were described as those of "fraternal friendship and solidarity," and Brezhnev went beyond previous Soviet comment condemning the bombing by demanding its immediate cessation. He made the first promise of continued Soviet "assistance and support" to the Vietnamese since the offensive began. Brezhnev, however, avoided, belligerent language. This Soviet posture of restraint appears to be dictated by

sensitivity to the forthcoming meeting with the President.

Central Committee Meets

Hanoi has acknowledged that the party central committee recently held its "20th plenary session" to review over-all regime policies. According to initial press accounts, a strong endorsement by the plenum of Hanoi's current military strategy was coupled with a decision to stand fast on the negotiating front.

The regime's official account of the session suggests that the leaders may in fact have decided on a tougher negotiating line than they have yet made public. Nowhere in the report is there any reference to vague hints by the Viet Cong last February that the Communists might be willing to deal with the present Saigon administration once President Thieu is out of the way. Instead, the full burden for a political settlement is placed on the US. Washington is not only exhorted in customary terms to cease its military involvement in Indochina, but it is also called upon to "suppress" the "coercive and oppressive machinery"

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of the Saigon government. This is the first time in recent months that Hanoi has said that Washington, rather than the South Vietnamese, should change Saigon's political apparatus as a prelude to a deal with the Communists. In pressing this line, Hanoi may be signaling its determination to keep the political and military aspects of a settlement closely linked.

The plenum report is not the only recent indication that the Communists may be shedding some of their pretense of negotiating flexibility. Premier Pham Van Dong assured North Vietnam's National Assembly a week ago that Hanoi was determined to achieve its maximum political demands, and Foreign Minister Trinh, in an address to the same body, studiously ignored the notion that the Communists might come to terms with any of Thieu's present colleagues.

This apparent stiffening of the Communist negotiating position can only raise questions about the present validity of the Viet Cong's February "elaboration" with its ambiguous treatment of the problems of a political solution. The Communists may never have intended the elaboration as anything more than a propaganda riposte to the US disclosure of secret negotiations between Hanoi and Washington. Hanoi probably also believes that, whatever its recent negotiating stand, it makes sense to stake out a maximum position now that Communist forces in South Vietnam are on the offensive.

STILL WAITING AT LONG TIENG

In Laos, despite the diversion of US air strikes to South Vietnam, the Communists have not yet kicked off what is expected to be a concerted and, perhaps for this year, final drive to take Long Tieng. They have limited themselves to intermittent shelling attacks against irregulars on Skyline Ridge and at artillery sites in the valley below. Vang Pao's troops have taken advantage of the lull in enemy ground activity to recapture some positions on Skyline, and all but one of the major positions on the ridge are now either in friendly hands or unoccupied.

The Communists show no signs of abandoning their stalled campaign. Elements of seven North Vietnamese infantry regiments, accompanied by artillery, anti-aircraft, and armored units, remain dug in around Long Tieng. ~~US aerial observers report that, despite early rains, the Communists are making heavy use of the new road from the Plaine des Jarres to Sam Thong. The observers have sighted fresh tank tracks between Sam Thong and Skyline Ridge. They also report that the North Vietnamese appear to be moving their anti-aircraft weapons closer to Long Tieng.~~ A Communist rainy season siege of Long Tieng is not inconceivable, but it is more likely that the North Vietnamese are trying to prepare for a final crack at the base before falling back to defensive positions along the western edge of the Plaine des Jarres.

~~In south Laos, eight irregular battalions have moved east along Route 23 to re-establish a front line at Ban Gnik, a village on the western Bolovens Plateau about 12 miles from Paksong. Enemy resistance to the irregular operation has so far been minimal.~~

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JAPAN

SATO BESIEGED

Lame-duck Prime Minister Sato, who has been having his difficulties in the Diet, now faces new trouble in that body. A political storm has blown up over the arrest of a journalist on charges involving official secrets. The journalist, a reporter for the *Mainichi Shimbun*, Japan's third largest daily, was detained last week and interrogated for five days on suspicion of instigating the theft of sensitive Foreign Ministry cables. A ministry secretary had earlier confessed she passed the documents to the writer.

Three of the documents in the journalist's possession came into the hands of a Socialist Dietman who made the contents public in late March. The highly classified telegrams, written in mid-1971 during US-Japan negotiations on the terms of Okinawan reversion, indicate that Tokyo committed itself to pay \$4 million to compensate Okinawan landowners who have damage claims against the US military. Previously, the public had been led to believe that such payments would be made by Washington.

The opposition has charged that the government made a "secret deal," and the Socialists are saying that the arrest shows the incipient fascism and militarism within the ruling Liberal Democratic Party. The media and the opposition parties labeled the action a violation of constitutional guarantees of freedom of the press and said it interfered with the "peoples' right to know." Sato's critics pointed out that the reporter is not a public employee and therefore not subject to the strictures on revealing information that are applied to government workers. The more moderate Democratic Socialist and Komeito parties initially supported the government's right to protect secrets but then agreed on 7 April to join the Socialists in attacks on the administration.

The Socialists say they have additional documents on Okinawan defense matters and China

relations. On 13 April they disclosed what they claim is a US Navy message that purportedly calls for the creation of a bilateral US-Japan nuclear naval force. Despite prompt US denial of the message's authenticity, many Japanese are predisposed to believe that secret agreements exist, and they will be inclined to accept the document as valid.

Sato's difficulties have been compounded by sharp divisions within his party and the government. Two Liberal Democratic Party cabinet members have criticized the arrest, and it is clear that, with the succession to Sato's leadership of the party in mind, they are attempting to exploit the issue to advance their own political fortunes.

The build-up of the controversy attests to the prime minister's weakening grip on power. That being so, he can expect that, even if this furor dies down, the pathway to his retirement will be anything but smooth.

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ECONOMIC REBOUND PLANNED

Japan's economic slowdown has persisted for more than a year and a half. It has reduced real economic growth from 12 percent per year during 1966-70 to about half that rate. Japanese forecasters are predicting the economy will rebound after mid-year, but growth during 1972 would still be around seven percent. This would mean that for the first time since World War II, Japan's economy would grow at less than ten percent a year for two years in a row.

Tokyo's economic recovery efforts are focused on fiscal policies. Last November, the Diet passed a supplementary budget bill which provides for increased expenditures for education, public welfare facilities, highways, drainage systems, and housing. Under the budget for the current fiscal year, which began this month, capital outlays are scheduled to increase almost 32 percent compared with a 19.6 percent increase in

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1971. The impact of the present expansionary budget will not be felt until later this year, however, because of the considerable lead time between the planning and implementation of such projects as roads, housing, and schools. Private outlays for inventory build-up are likely, but spending on new plant and equipment will grow very little because of excess capacity. Private and government consumption is likely to continue a steady upward pace.

Tokyo will be unable to rely as much on exports to stimulate economic growth as in the past. As a result of the almost 17-percent revaluation of the yen, some Japanese exporters will have to cut the yen price of their goods to maintain their competitive position. Consequently, the yen value of Japanese exports is likely to increase by six percent at most. Japan will benefit from lower yen prices for imports, but a large portion of these savings will accrue to business firms rather than to consumers.

Japan's trade surplus with the US will probably be as large as last year's record, mainly because of increases in the dollar price of Japanese exports. The special conditions that spurred the volume of Japanese exports to the US last year will not be repeated. For example, textile exports rose 12 percent last year because Japanese producers increased shipments in anticipation of trade controls. Additionally, Japanese imports from the US fell more rapidly than over-all Japanese imports partly because of the US West Coast dock strike.

Despite a deterioration of the over-all trade balance in yen terms, in dollar terms Japan probably will end this year with a trade surplus of at least \$8.7 billion, or somewhat more than last year. This strong trade surplus probably will be partially offset by increased deficits in the services and capital accounts, resulting in a basic

balance in 1972 of \$3.9 billion, down from the \$4.7 billion surplus in 1971. [REDACTED]

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KOREA: TOWARD PRIVATE TALKS

The Red Cross talks, which have dragged on at Panmunjom since September, will enter a new stage next month and perhaps open up the discussion of political as well as humanitarian issues. The agreement to move into more formal sessions, which will ostensibly focus on reuniting divided families, [REDACTED]

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The opening of these formal talks does not necessarily mean any greater progress in the negotiations is in the offing. While Pyongyang has consistently pressed for more rapid action, Seoul has remained cautious and has stuck to its more drawn out timetable. Its decision to move now probably reflects Seoul's interest in testing Pyongyang's intentions as well as in demonstrating a continued positive attitude. [REDACTED]

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The North Koreans have long pressed for broadening the Red Cross talks to include a range of political issues. Their response to Seoul's overture may indicate they too believe the formal sessions could be useful in that context. Thus, both sides may calculate the plenary meetings, which will be held alternately in Seoul and Pyongyang, will provide private and favorable circumstances for a dialogue on sensitive issues. [REDACTED]

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SECRET**EC TALKS WITH NON-CANDIDATES**

The second round of talks between the EC and the six EFTA nations not seeking EC membership—Sweden, Austria, Finland, Switzerland, Portugal, and Iceland—has left substantial problems. The negotiations aim, at a minimum, to establish free trade in industrial products among the participants. If the necessary compromises are reached before summer, the agreements would go into effect on 1 January 1973.

The agreements as now projected would eliminate most industrial tariffs over a five-year period. Principally at issue is a range of items designated by the EC as "special"—mostly metals, special steels, and paper. The EC suggests that tariffs on these would be removed only after 12 years, including an initial three-year standstill. Paper exports are vital to Finland, as they are to Austria and Sweden, and it may be impossible for the Finns to sign up under these terms. A British proposal to reduce the tariff-cutting time to eight years, with small reductions during the initial three-year period, may be a way out. Both the EC and American paper industries oppose concessions that they claim would hurt them. Sweden wants better terms for its steel and ball bearing products, and Iceland is pressing the case for its aluminum and fish exports.

The coverage to be accorded agricultural products is equally unclear. Most of the non-candidates are not receptive to the EC's efforts to win concessions for community farm exports as "compensation" for the industrial agreements. Lately, however, several of the non-candidates have appeared more willing to trade off such concessions in return for a favorable settlement of the "special" products question.

The negotiations have made it clear that for some of the non-candidates, at least, the proposed arrangements are by no means the definitive settlement of their future relationship to the community. For Portugal, agreement is a step toward

association with the EC and possibly, at a later date, membership. Throughout the bargaining, Stockholm has expressed the desire for a closer arrangement, on the order of a customs union, and EC President Mansholt has candidly predicted in public that the agreement currently contemplated will satisfy Sweden for about four years.

For Finland, the free-trade arrangements are about all its special relationship to the USSR will allow. This is true also for Austria and Switzerland because of their neutrality. As their economies are more tied to the community, however, the pressures on them to align their economic policies with those of Brussels will surely increase.

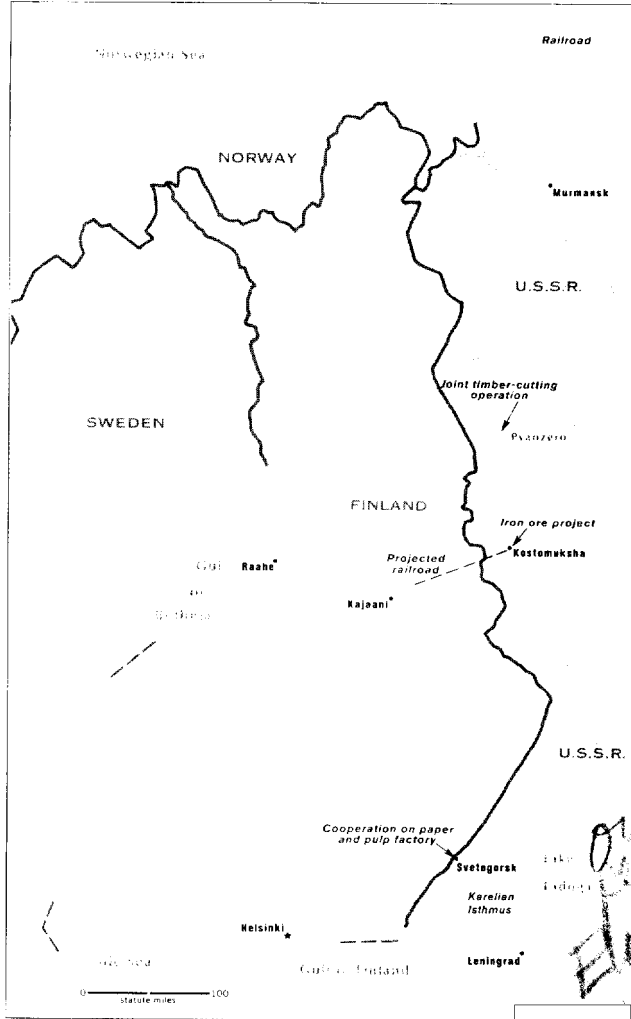
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USSR-FINLAND: MORE COOPERATION

Moscow and Helsinki recently concluded a number of cooperative agreements for the exploitation of Soviet raw materials. These agreements, together with the ten-year cooperation treaty signed last year, strengthen the already close Soviet-Finnish economic ties. One provision of the treaty prohibits discriminatory trade and economic measures, and this could give Moscow an additional basis for influencing Finnish ties with the EC.

The largest project now being discussed is a \$500 million, long-range scheme to develop the rich iron ore deposits in the Kostomuksha area of Soviet Karelia. Most of the ore mined there would be shipped via a projected rail line to the Finnish steel center at Raahé for processing and export. Agreement has just been reached on an exchange of Finnish pipe worth \$36 million for Soviet gas. Gas imports via the Karelian Isthmus are to start

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SECRET**Soviet-Finnish Cooperative Projects**

Economic cooperation with the Finns provides the Soviets with capital and access to some desired Western technology. It also gives them more leverage on the Finnish economy. For Finland, the cooperative ventures provide jobs for workers in depressed areas adjacent to the USSR. Moreover, the Finnish steel industry could use the additional iron ore from the Kostomuksha project to feed a new Soviet-built blast furnace that is to go into operation by 1975.

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HONECKER DEPARTS MOSCOW

The joint communiqué issued on East German party chief Honecker's departure from Moscow on 10 April indicated that he and Brezhnev thoroughly aired the problems surrounding Ostpolitik. The communiqué gave no hint of what concessions the Soviets and East Germans might have agreed upon to influence ratification by Bonn of the Eastern treaties.

West German representative Kuehn was also in Moscow at Brandt's behest to sound out the Communists on future concessions, and he may have received assurances of new moves. The most probable concessions, such as improved inter-German travel, would fall under East German purview. Pankow is intent on projecting a co-equal image in its dealings with West Germany and would probably announce new concessions in an inter-German forum or, unilaterally, as in the case of the Berlin Easter visits.

in 1974 and over the 20 years of the agreement will reach some \$400 million. Finnish participation in the building of a \$150-million paper mill at Svetogorsk north of Leningrad, and in the initial phase of a timber-cutting operation in the Pechengola region of Soviet Karelia also have been set. The two are talking about cooperation in exploiting Siberian forests.

The communiqué reiterated in familiar language the importance of the Eastern treaties and consequent implementation of the Four-Power Berlin and inter-German transit agreements, and the "trend of relaxation" in Europe. Missing, however, was the usual demand for international recognition of Pankow, suggesting that Moscow

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may be toning down its public sponsorship of East German pretensions.

The visit appears to have been part of a broader review of East German - Soviet relations. Honecker went to Moscow on the heels of a week-long working visit there by Deputy Premier Sindermann, Pankow's leading economic negotiator. The Brezhnev-Honecker communiqué dealt heavily with economic issues and hinted that the two sides were not fully satisfied with the direction their economic relations were taking. The communiqué pointedly omitted any reference to past progress and, instead, stressed the need to improve long-range planning in the context of CEMA. [REDACTED]

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GRECHKO GRATIFIES YUGOSLAVS

The Soviets decided to use Defense Minister Grechko's visit to Yugoslavia last week to ease Yugoslav suspicions of the USSR. Although the gesture may have temporarily soothed Belgrade's fears on a few issues, Belgrade has continued to emphasize vigilance against outside interference in its domestic affairs.

Tension was raised prior to the visit because of apprehensions that Grechko would revive proposals for Soviet use of Yugoslav naval bases or press for increased overflight rights for Soviet military aircraft en route to Egypt. On the day of Grechko's arrival, the usually well-informed Yugoslav journalist, Milika Sundic, blistered those who were speculating that Belgrade might cave in

to such demands. The same message likely had been conveyed to Moscow earlier via diplomatic channels. Since Grechko's departure, Yugoslav media have headlined a rare press interview in which Tito's personal security adviser warned the nation against foreign subversive efforts.

Possibly because of these forewarnings, Grechko appears to have been on his best behavior. A Yugoslav Foreign Ministry official has stated flatly that the Soviets did not raise the base and overflight issues. He implied that the visit was largely cosmetic. Grechko concentrated on the military and the Serbs, two critical factors in the Yugoslav power equation. He did see Tito and Serbian party chief Nikezic, but few other important officials. He spent most of his five days away from Belgrade and he even visited Macedonia, a concession to Yugoslav sensitivities over suspected Bulgarian designs on the republic.

The lack of a communiqué or press disclosure of any new agreements buttresses the belief that the Soviets had their eye on longer term benefits rather than immediate gains. The Kremlin probably is satisfied that Grechko managed to clear the air for Tito's scheduled visit to the USSR in May.

For their part, the Yugoslavs are seeking whatever benefits that can be had from the USSR as an economic protocol signed on 3 April demonstrates. But they remain skeptical of Soviet motives. ~~A high-level Yugoslav party official, for instance, recently suggested that increased contacts with the Soviet Communist Party were a good thing, providing a continuing means of assessing Soviet intentions.~~ [REDACTED]

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SECRET**ITALY: THE ECONOMY AND ELECTIONS**

The Italian economy shows no signs of sustained recovery from the stagnation of 1971. Indeed, the economic issues that helped to undermine the center-left alliance and contributed to the calling of elections a year early, will be prominent in the campaign for parliamentary elections scheduled for 7-8 May. After the rhetoric is over and the results are in, a new government will face hard decisions in selecting the best means for getting the economy going again.

The declining output that characterized most of last year has halted. Industrial production, however, has not started back up, and construction activity is still weak. The difficulties in residential housing construction, the biggest economic headache last year, continue. Moreover, the rate of inflation, after dipping late last year, has again picked up. Businessmen—beset by political uncertainties, weak demand, ample spare capacity, and the prospect of a new round of strikes—are hesitating to make investment commitments.

The caretaker Christian Democratic government has stressed the need to resume strong economic growth immediately. Seeking to induce businessmen to invest, the Andreotti government lowered the bank rate and is trying to delay implementation of the value-added tax system. To stimulate consumption, the government increased pensions for those who had been self-employed and has promised to propose similar benefits for workers in the next parliament.

The other major parties have emphasized many of the same economic issues, but their priorities are different. The small Republican Party is highlighting greater fiscal responsibility in government—an issue that caused the party to withdraw its support from the center-left coalition in January. The Socialist platform stresses increased employment, economic development in the south, and a broad urban planning law to complement housing reform legislation passed last

October. The Social Democrats are giving prominence to controlling inflation. They advocate the release of backlogged state appropriations rather than new legislation to stimulate economic growth. The Communist Party has reiterated its commitment to expanded social services.

Whatever the composition of the new government, it will encounter roadblocks as it tries to revive the Italian economy. The difficulties of inspiring renewed business confidence and cutting through governmental red tape to release public works funds will be compounded if a "hot autumn" of labor trouble develops. About 50 national labor contracts affecting some 4 million workers are up for renewal this year. Strikes and violence associated with renegotiation of these contracts in 1969 cost Italy about two percent of a full year's output.

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MALTA: MINTOFF'S CHINA SUCCESS

Prime Minister Mintoff's visit to Peking last week gave him the hope for aid from China and the establishment of a Chinese Embassy in Malta in the near future. Although no communiqué was issued, Mintoff said he had reached an agreement on aid that would be signed later in the year after details had been worked out. In Malta, Mintoff's visit is sure to be considered a success both economically and politically. He opened up a new source of aid for Maltese development and found a new market for Maltese goods. In addition, he reinforced his domestic image as an international figure who has won benefits for Malta and demonstrated the island's non-alignment by diversifying foreign ties.

Though Peking realizes that it can have only a slight effect on the situation, it is likely to go on courting Mintoff and publicly backing his aim of eliminating "superpower rivalry" from the Mediterranean, if only to counter the Soviets.

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SECRET**USSR: TIGHTER TIES WITH IRAQ**

The signing of a 15-year Treaty of Friendship and Cooperation between the USSR and Iraq was a major move in Moscow's effort to establish a position in the Middle East independent of the demands of the Arab-Israeli conflict and the Soviet presence in Egypt. The treaty, announced on 9 April during Premier Kosygin's five-day visit to

Iraq, extends Moscow's involvement in Arab affairs and puts the Soviet-Iraqi relationship on a more solid base. For the Soviets, the treaty is a tangible return for their huge investment in the Middle East; for the Iraqis, it reinforces the benefits of the alliance with the USSR and endorses the policies of the Baathist regime.



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Although Iraqi strong-man Saddam Tikriti presumably took the initiative for such a treaty during his visit to the USSR in February, the document's language and organization are unmistakably Soviet in origin. It calls for wide-ranging cooperation in the political, economic, and military spheres and resembles last year's Soviet friendship treaties with Egypt and India. Those pacts call for regular consultation on international issues and immediate contact to coordinate their stands in crisis situations that endanger either of the signatories. The three treaties do not specifically provide for mutual assistance in the event of hostilities.

In its military aspects, the Soviet-Iraqi agreement falls somewhere between Moscow's pacts with Egypt and India. Whereas the Soviet-Indian treaty has no defense commitments, the Soviets and Egyptians obligated themselves to "develop cooperation in the military field on the basis of appropriate agreements" and specifically provided for Soviet "assistance in training of Egyptian military personnel." The agreement with Iraq is limited to a brief pledge that the "parties will continue to develop cooperation in the strengthening of their defense capabilities."

This careful formulation opens the way for the possible establishment of Soviet naval privileges in Iraq. The Iraqis do not have sufficient logistic and repair capacity to extend significant support to Soviet naval ships. Facilities at the port of Umm Qasr, however, could be expanded to provide for Soviet requirements. The Iraqis, with Soviet technical assistance, have completed construction of six military airfields that could be used to support the Soviet Navy in exchanging crews and quick replacement of parts. The fields could also afford bases for reconnaissance aircraft.

The friendship treaty also marked a continuing Soviet involvement in developing Iraq's industry and natural resources. Such involvement has deepened since 1969, largely due to the USSR's commitment of at least \$170 million to Iraq's national oil industry. The Soviets have agreed to provide equipment and technical services for projects, primarily in the North Rumaila oil field in southern Iraq. In addition the Soviets are slated to build a refinery at Mosul, and Soviet personnel are surveying a proposed pipeline from Baghdad to Basra and an extension of the pipeline from Baghdad to northern Iraq. Most of this aid is to be repaid in crude oil deliveries.

Although Egypt remains central to the Soviet posture in the Middle East, the friendship treaty with Iraq is one more sign that the Soviets are intent on cultivating additional assets in the area. The approaching US-USSR summit, as well as accelerated Chinese diplomatic activity, seem to have given the Soviets added incentive to buttress their position. The Soviets have drawn closer to Syria as well as Iraq and have indicated they would like a friendship treaty with Damascus, too. Some there reportedly are cool to the idea.

The Iraqis, meanwhile, are trying to break their traditional isolation within the Arab world and are looking to Moscow for support against Iranian ambitions in the Persian Gulf. Baghdad receives nearly all of its military equipment from the USSR, and Tikriti appears to count on Soviet support in Iraq's confrontation with the foreign-controlled Iraq Petroleum Company. At the same time, the Iraqis have not lost their own freedom to maneuver—witness their lack of support for Moscow's position favoring a political settlement to the Arab-Israeli deadlock.

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PALESTINIAN POW-WOW

The Palestine National Council, the parliamentary body of the Palestine Liberation Organization, met in emergency session in Cairo this past week to discuss how to counter King Husayn's proposal for a unified Jordanian-Palestinian kingdom.

Speaking to the opening meeting, Egyptian President Sadat reiterated his support for the Palestinian cause and vowed once again to safeguard the Palestinians' right to self-determination. He added his voice to the general anti-Jordanian clamor by announcing that Cairo was severing diplomatic ties with Amman. Egyptian media subsequently revealed that the government was in the process of cutting off all economic ties with Jordan as well. Not much damage would be inflicted on Jordan this way.

The Egyptian moves clearly show that Sadat is attempting to strengthen his credentials with the Palestinians and to recoup his waning role as the foremost spokesman for the Arab nationalist cause. Moreover, pressures for further steps against King Husayn's West Bank plan may have come from Libya's Qadhafi, a fervid critic of the King; Libya's relations with Jordan have been severed for some time. Egyptian frustration over the continued stalemate with Israel may have also played a role in Sadat's decision, impelling him to turn his attention to an area where he could exhibit activism with little danger.

Jordan's initial reaction to Sadat's move was more in sorrow than in anger. The Jordanian

criticism picked on Sadat's reference to the fedayeen as the legal representatives of the Palestinian people. Jordan may try to respond to the council meeting itself by convening a counter-conference.

the King may be able to gather enough conservative East and West Bank Palestinians for a conference. If so, he could deliver another slap in the face to the fedayeen and bolster his claim to be the custodian of Palestinian rights.

The council meetings themselves were almost exclusively concerned with finding a proper response to Husayn's proposal. The fedayeen organizations, whose delegates constitute a majority of the council's membership, were also upset by the large turnout in the municipal elections of 28 March in the Israeli-occupied West Bank area. Fatah, especially, interpreted the election results as a rejection of the fedayeen's claim to speak for all Palestinians.

The initial fedayeen reply to these setbacks—by now a knee-jerk reflex—was to fall back on that panacea for all fedayeen ills, a call for the unification of all the guerrilla organizations. A unity program was drawn up for the nth time and submitted to the council for its approval on the second day of its meeting, 7 April, with as little likelihood that it will be implemented as any previous unity scheme.

~~Although there was no public mention of it, the subject of a Palestine government in exile was~~

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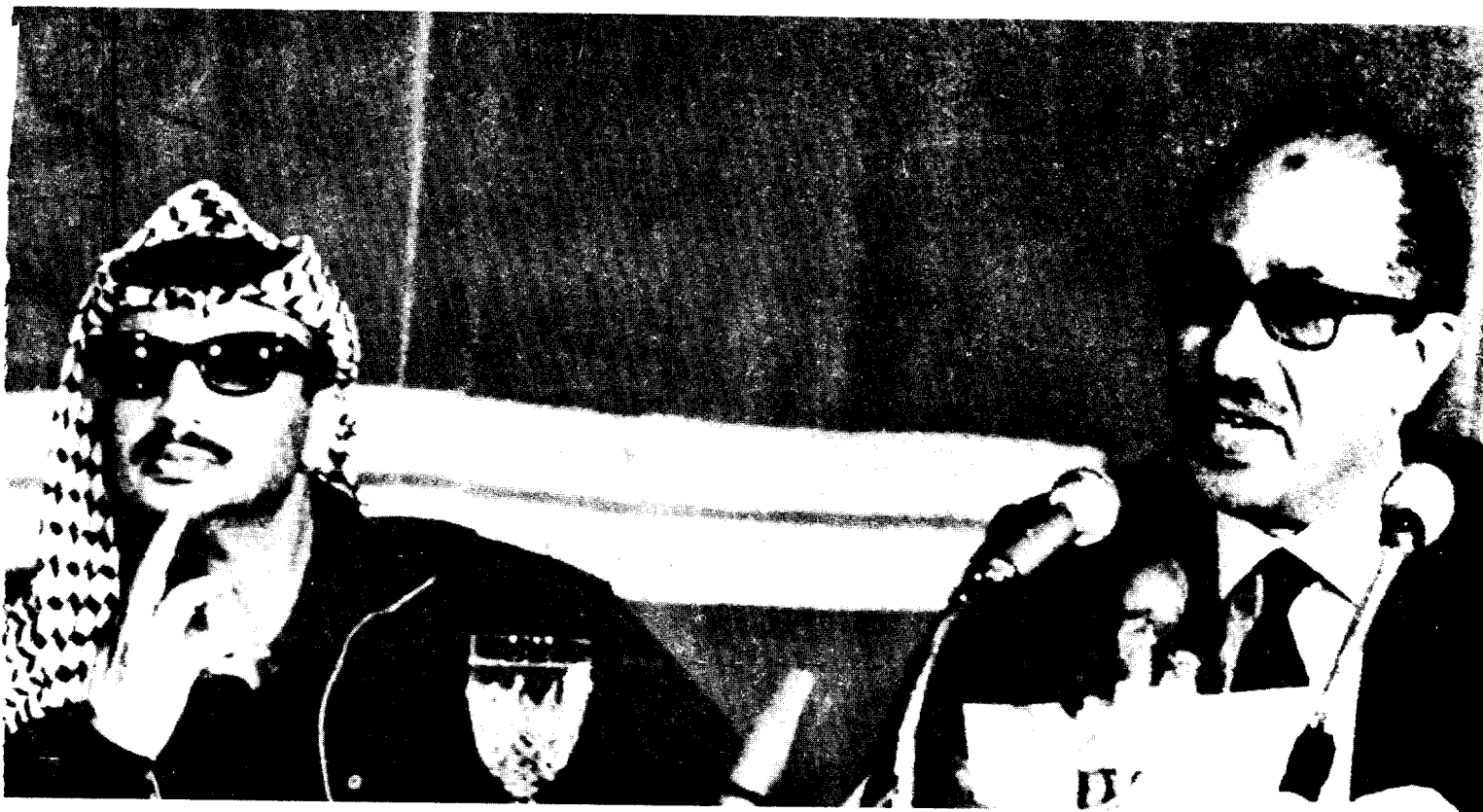
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~~probably discussed as a possible means to counter Husayn's Palestine entity scheme. Fatah has toyed with the idea of such a move; it is unlikely that the other organizations, which already resent Fatah's domination of the fedayeen movement, would be receptive to yet another body in which Fatah would dominate.~~

There was the usual sound and fury in the final communiqué on 11 April. In it, the council called for King Husayn to be tried by a special court for conspiring against the Palestinian

people. The council also demanded a full Arab economic boycott against Jordan, the cessation of subsidies, and the recognition by all Arab countries of the fedayeen-organized Jordanian National Front as the legal representative of the Jordanian people. The semi-official Cairo daily *al-Ahram* has speculated that the fedayeen leaders will now visit various Arab capitals to disclose "secret" decisions taken by the council. The newspaper added that the fedayeen would call for an Arab summit conference to expel Jordan from the Arab League.

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LIBYA: THE RULERS AND THE RULED

The first national conference of the Libyan Arab Socialist Union was held in Tripoli from 28 March to 8 April. It proved to be a slightly traumatic experience for both the 500-odd delegates and the Libyan leaders who took part. The conference was marked by sharp vocal confrontation between the government and its people. Despite the Libyans' reputation for political apathy, there was not a little courage shown by the delegates in their free-swinging debate with members of the ruling Revolutionary Command Council, including Premier Qadhafi. The delegates interrupted and even contradicted their rulers.

Most surprising was the vigorous and articulate case made by the delegates for a free press and for a more democratic form of government. Some of these arguments were advanced by Libyans recently tried on charges of corruption; others argued forcefully with Qadhafi and council members about the real meaning of democracy.

The regime may not have learned much or given any ground on these matters, but it did manage to give the impression that it is honestly trying to hear the voice of the Libyan people. Whether this is what Qadhafi and his colleagues really want from Libya's only political party is far from certain. It is even more doubtful that a government that sees itself in the vanguard of the perpetual battle on behalf of Islam will feel able to relax its authoritarian controls.

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LEBANON: PARLIAMENTARY ELECTIONS

Lebanese go to the polls this weekend to begin electing a new Chamber of Deputies. Radical reformers and leftist political groups have no more chance of bucking the system at the polls than they have in parliament, and the new chamber should be very similar in make-up to previous ones.

Elections will be held on three successive Sundays to fill 99 seats allocated on the basis of the theoretical size of each confessional group—i.e., 30 Maronite Christians, 20 Sunni Muslims, 19 Shia Muslims, and so forth. Votes are openly bought and sold, and elections are always accompanied by some degree of violence. Elections are held at different times in different areas so that much-needed security forces can be con-

centrated near the polls. Although government interference has been blatant in past elections, President Franjiyah has promised free and honest elections this time, and the reforms he has carried out in the security forces give promise that they will be.

Lebanese electoral campaigns are not usually fought over national issues or ideologies but are essentially popularity contests among professional politicians. The many so-called parties in parliament are actually blocs of deputies who gather under the umbrellas of particular chieftains. International revolutionary parties, such as the Communist Party and the Baath, have operated in Lebanon for years but have never acquired widespread support. Kamal Jumblatt's Progressive

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Socialist Party is the only exception, and much of his popular support derives from the Druze religious sect. The leftists have always suffered from internal divisions and have not been able to form a unified electoral front that could challenge the traditional voting blocs.

To a large extent, the votes for leftist candidates can be interpreted as a protest by the discontented intelligentsia. Because of the delicate sectarian balance in parliament, the policies that the government adopts are always the result of compromise. Problems are seldom met head-on. Consequently, effective measures to correct imbalances in the economy and improve social conditions have not been taken. This is the reason for the emergence of an embryonic radical movement among youth, the educated middle class and, presumably, younger army officers. About ten representatives of this new trend were elected in 1968, but their influence in parliament has been negligible.

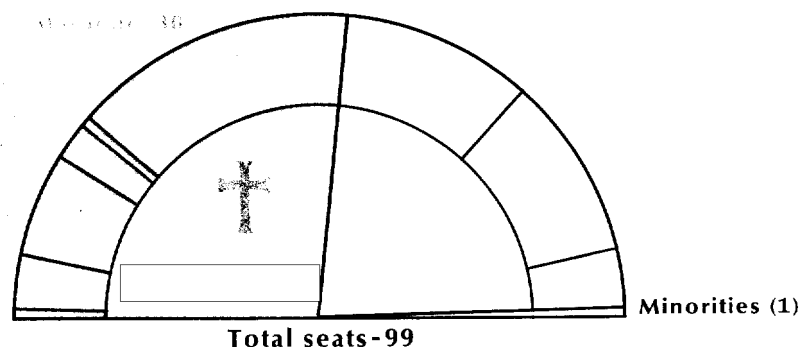
Although the Arab-Israeli conflict and the fedayeen have seriously divided the Lebanese in the past, these issues will not be critical factors in

this year's elections unless there is a sudden Israeli incursion or a fedayeen uprising. Popular sympathy for the fedayeen, even among Sunni Muslims, has been declining steadily, and the fedayeen, who do not want to jeopardize their last stronghold by openly interfering in the elections, are mending their political fences. Outside interference, especially on the part of Egypt and Syria, will also be less than in previous elections.

Of the three main electoral blocs that have emerged, the strongest is probably the centrist bloc, which has been the principal source of President Franjiyah's support in parliament. He is hoping that it will in these elections attract the votes of the heretofore alienated intelligentsia, thus providing him with the support he needs to push through a few sorely needed reforms. It is unlikely, however, that he will gain the voting strength to overcome the combination of conservatives in parliament and the powerful business community, who hold back these reforms. If the economic and social gaps are not narrowed, radical and leftist elements, balked by the system, may in time seek to abolish it.

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LEBANON: Chamber of Deputies

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INDIA-PAKISTAN: BHUTTO'S BURDENS

India and Pakistan are moving slowly toward peace talks. President Bhutto, meanwhile, is having difficulty with his main opponents at home.

Bhutto has accepted Prime Minister Gandhi's proposal for a summit meeting preceded by preliminary talks between special emissaries. Mrs. Gandhi's offer, extended last week, probably was made partly because of Soviet urgings. The time and place for either the summit or preliminary talks have yet to be set.

The two sides remain far apart on substantive issues. For Pakistan, the most pressing matter is the repatriation of Pakistani POWs held by India. The Indians have insisted that the prisoners cannot be released without the consent of Bangladesh, and Dacca refuses to discuss the issue until Islamabad has recognized Bangladesh's independence—a step Bhutto has thus far been unwilling to take. No provision has been made for participation by Bangladesh in the proposed Indo-Pakistani meetings.

New Delhi has stated that it will turn some of the POWs over to Bangladesh for war crimes trials when Dacca finishes gathering evidence—probably later in the year. Such a step would anger Pakistan and would hurt chances for successful talks. Bhutto, however, might acquiesce if the number of prisoners so tried was small, the evidence convincing, and the turnover accompanied by a clear-cut commitment to return the bulk of the prisoners to Pakistan. New Delhi's reluctance, in the absence of an over-all peace settlement, to see Pakistan's military ranks augmented by the return of roughly 70,000 trained soldiers is a further obstacle to progress on the prisoner issue.

The Indian position is that Pakistan must accept the 1949 cease-fire line in Kashmir as a permanent international boundary, with minor modifications to permit India to retain certain strategic positions it won in the recent war. The Indians appear determined to forestall future Pakistani efforts to weaken India's hold on Kashmir. At the same time, New Delhi recognizes

that Islamabad cannot formally give up its 25-year-old claim to the disputed territory. New Delhi presumably does not want to trigger Bhutto's ouster and probable replacement by a more intractable military regime. Consequently, Mrs. Gandhi's government may prove willing to settle for some kind of tacit agreement by Bhutto not to disturb the status quo in Kashmir.

Pakistani Politics

Bhutto may be headed toward serious trouble with his principal political antagonist, National Awami Party chief Wali Khan. The agreement they reached on 6 March has broken down as a result of self-serving interpretations by the two sides. The basic issue is control over the two provinces on Pakistan's western frontier. The dispute has lately centered on whether Bhutto is obligated promptly to appoint persons acceptable to Wali as governors of the two provinces, where Wali's coalition is the strongest political force, and on whether Wali's followers are required to vote in favor of continuing martial law when the national assembly convenes on 14 April. Wali has rejected a new agreement proposed by Bhutto's party and has announced that a coalition headed by the National Awami Party is now the de jure government in the Northwest Frontier Province.

Despite this sort of action, Wali may wish to avert an open confrontation. Sources in his party have stated that the de jure government will neither issue orders nor seek to function as a parallel administration. Leaders of his coalition have been meeting with Bhutto's representatives in an effort to reach agreement on an interim constitution. Wali probably does not want the situation in Pakistan to deteriorate into general disorder, knowing that the military forces might again take over—to the detriment of all civilian politicians. He has also stated that he does not want to see the breakup of Pakistan. Bhutto, for his part, would like to ease his troubles with Wali before moving into difficult talks with India. Nevertheless, neither Bhutto nor Wali wants to lose face or alienate supporters, and a slight misstep by either could result in a showdown.

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ZANZIBAR: AFTER THE FALL

President Nyerere approved the appointment this week of Aboud Jumbe, right-hand man of assassinated Abeid Karume, as the new chairman of the island's ruling Revolutionary Council. Jumbe automatically became vice president of Tanzania. Zanzibar is loosely federated with the mainland, although Nyerere has little real power on the island. The new chairman will probably be easier for Nyerere to deal with in some ways, but Jumbe is likely to be just as stiff-necked about the reality of Zanzibar's autonomy as was Karume. Jumbe does not belong to any faction and does not have any popular base of support, but he is shrewd and may be able to balance off the various groups within the council. He is by far the best educated and most able administrator in the Zanzibar Government. He is neither pro-Communist nor pro-West.

If Jumbe is to maintain his position for any length of time, he will need the support of the commissioner of police, which he seems to have, and at least the acquiescence of the Zanzibar Army. Army commander Yusuf Himidi is the only person who could challenge Jumbe. Himidi has just returned from East Germany where he went for medical treatment. He did not attend Karume's funeral and apparently has not resumed command of the army.

Karume's assassins have been linked to an ultra-leftist faction of the Revolutionary Council. This faction, which once had close ties with the Chinese Communists, may have been trying to mount a coup. If so, it turned into a disaster for its organizers. Two former pro-Chinese members of the Revolutionary Council, whom Karume dismissed a few months ago, have been detained. The police reportedly have also rounded up some 400 others, mostly Arabs, connected with this group. It is unlikely that the Chinese were involved in the assassination, but their close identification with those now under suspicion may damage Peking's position on the island.

DISCONTENT IN SOMALIA

Nationalization measures, which have shifted from foreign holdings to domestic interests, are being met with increased opposition. Disturbances have occurred in northern Somalia where dissatisfaction with government interference always is strong.

A series of measures announced in January dealing with the supply and distribution of essential goods extended government ownership or control to commerce, transport, medicine, rents, and petroleum. The most disruptive moves, leading to demonstrations and mass arrests, were the government take-over of the distribution of

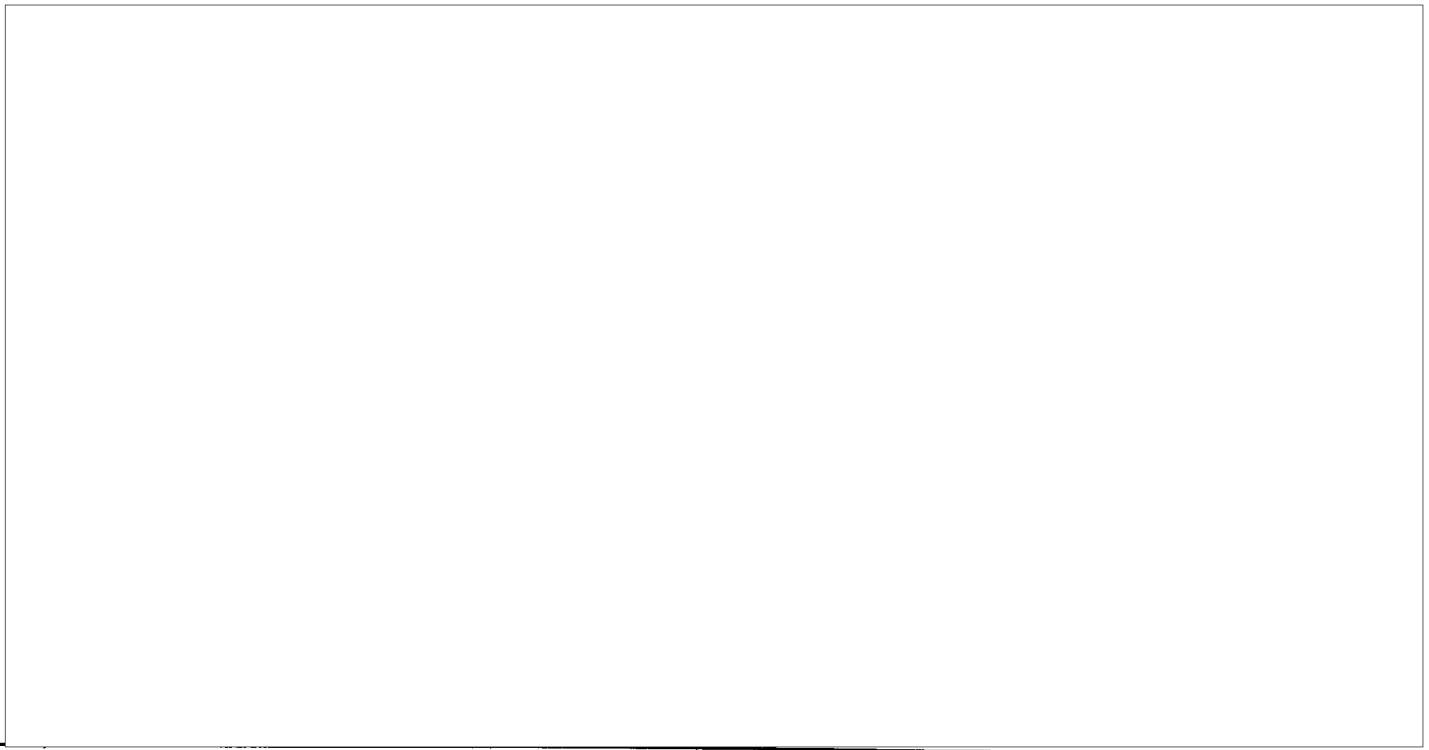
basic food products and the requirement that such products bear the same prices throughout the country. This action replaced wholesalers, who objected strongly along with the merchants they had supplied.

The Supreme Revolutionary Council in Mogadiscio intends, however, to proceed with the program by imposing additional controls in May. The council evidently hopes to offset the opposition of merchants by wooing labor with guarantees of job security and other benefits.

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NICARAGUA: THE NEW ORDER

The constituent assembly elected in February will convene on 15 April, and one of its first orders of business will be to sanction the three members of the interim executive council already selected by their respective parties. It has been known for several months that opposition leader Fernando Aguero will fill the slot allotted to the Conservative Party. President Somoza and his Liberal Party have announced that their two positions will be filled by minister of defense General Roberto Martinez and Minister of Agriculture Alfonso Lovo Cordero. Although Somoza will step aside as chief executive on 1 May, he will continue to direct major government policies from his vantage point as head of the Liberal Party and the National Guard. In addition, one of his close collaborators is secretary of the new executive council.

The interim government will hold office until 1 December 1974. During its tenure the constituent assembly will revise the constitution, modernize the electoral system, and act as a national legislature.

The Conservatives are pleased with the arrangement since, in addition to sharing executive power and holding 40 percent of the assembly seats, they will fill a number of jobs throughout the government. For example, they get an advisory post in each ministry. Major dissatisfaction, therefore, is restricted to several minor parties and factions left out of the interim government. Thus, the outlook for stability over the next two or three years is good.

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ARGENTINA: MORE POLITICAL VIOLENCE

Riots, kidnappings, murder and assassination have brought political violence to a dangerous level in recent weeks and will certainly have far-reaching repercussions. These events have brought President Lanusse's political and economic problems into sharp focus, providing a critical test of the armed forces' support for Lanusse and their commitment to elections.

Four days of turmoil in Mendoza were finally brought to an end on 8 April after the President announced that utility rate increases—which triggered the riots—had been suspended. Two days later, Argentines were shocked by the terrorist assassination of General Juan Carlos Sanchez, commander of the II Army Corps in Rosario, and the murder of Oberdan Sallustro, a Fiat executive who had been kidnaped last month. Sallustro was killed when police located the "people's prison" in Buenos Aires where he was being held.

Lanusse himself has been described as cool and collected in the eye of this gathering storm. He is aware that the rioting in Mendoza is illustrative of a general disaffection with his economic policies but believes that the killings of General

Sanchez and Sallustro can be turned to his political advantage. The President and his top military commanders have reaffirmed their commitment to national elections in 1973. They consider that the shock value of the murders will prompt the public to rally to the government's side in combating terrorism and thus lessen the chance of new outbreaks of public violence.

Early reactions of various public figures to the dramatic upsurge in political turbulence tend to support this view. In Madrid, Peronist politicians meeting with their exiled leader denounced the violence. Peronist labor leaders also condemned the murder of General Sanchez and reaffirmed their support for political "normalization" in a meeting with President Lanusse.

If Lanusse is strong and decisive in ordering new counter-terrorist moves, and if he is able to use the violence to rally the public, he could actually strengthen his position. On the other hand, if the economy continues to show no sign of revitalization and if the disturbances continue, the support of the military, all-important to Lanusse, will begin to crumble.

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BRAZIL: NO TIME FOR POLITICS

"Like having a cold, wet rag thrown in your face," was the way one state legislator described President Medici's latest election decision. The President proposed on 3 April that the gubernatorial elections scheduled for November 1974 be held by indirect ballot. The politicians had already begun maneuvering for places on the ballots for the 1974 races, which would have been the first direct popular elections for governors in Brazil since 1966.

Their chagrin will not change things. The pro-administration National Renewal Alliance Party dominates both houses of congress, and passage of Medici's proposal for a constitutional amendment to make the elections indirect is assured. All of Medici's choices for the 22 governorships were "elected" by the state legislatures in October 1970, and the same pattern is now likely to be followed in 1974.

[redacted] The trend of his thinking was evident in his address on the 31 March anniversary of the 1964 revolution. The President's only reference to politics was a reiteration of his view that any significant level of political activity soon would endanger the economic and social accomplishments as well as future programs of his administration.

Several factors probably lay behind his choice of indirect elections. He was concerned that political activity could hamper the pursuance of his priority objectives for 1972, promoting economic development and reducing inflation. Direct elections might also have led to a rep-

etition of the voting in 1965 and 1966, when victories in key states by politicians unacceptable to the armed forces led to major problems. Even more serious, political agitation could encourage potential presidential candidates within the military ranks to surface, thus endangering vital military unity and weakening Medici's control of the succession process. He has said the succession issue should not be raised before the last half of 1973.

The only public protests against the President's action have come from members of the single legal opposition party, the Brazilian Democratic Movement, who considered themselves the main targets of the move. Party leaders in several states had been busy rounding up support for their candidacies, and they hoped—with some justification—that they would be able to win more than the one governorship Medici allotted them in 1970. Some Brazilian Democratic Movement leaders have claimed that Medici has now removed the last reason for the party's existence and that the party should be dissolved to end the "farce"; others want to go on awhile.

Medici's action may in fact have been aimed as much, or more, at the pro-administration National Renewal Alliance. In its ranks, too, politicians with significant popular support had begun wrangling over the gubernatorial nominations. These disputes could have jeopardized Medici's plans to build the party into a vehicle to provide political support for the regime. The proposal for indirect elections has antagonized the leading alliance luminaries who stood a chance of winning the governorships on their own. The proposal has, on the other hand, pleased those who depend on personal support from Medici. In public, however, all members of the party are backing the President's action, since to do otherwise would be political suicide.

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CHILE: MORE POLITICS

President Allende's hope of a hiatus in domestic political conflicts during the UNCTAD III session in Santiago have gone aglimmering. Nearly a quarter of a million Chileans responded on 12 April to a joint call from four opposition parties to march peacefully in protest of government encroachments on personal and economic freedoms. Allende supporters may be hard put to equal the turnout as he has promised to do next week. The surprise appearance of former president Eduardo Frei and the hard-hitting speech by his fellow Christian Democrat, Senate President Patricio Aylwin, brought a strong response from the crowd.

Allende's own coalition has been giving him trouble too. The withdrawal of the moderate Radical faction on 7 April was a blow to the President's personal strategy of strengthening his own position in the Popular Unity coalition as well as maintaining its pluralist image of including non-Marxists. Allende made a point of choosing replacements for the two resigning cabinet ministers without consulting coalition leaders [redacted]



Aylwin

By naming General Pedro Palacios as minister of mining, Allende realized at last his ambition of including the military in his cabinet and involving the armed forces at a high level in economic development. [redacted]

[redacted] Palacios' excellent technical qualifications may lead to better production techniques and ultimately increased mine output, although his post is now of little consequence in determining over-all copper policies. The choice of Radical Jorge Tapia as minister of justice restores to that nominally non-Marxist party a third cabinet post—a disproportionate share likely to be resented by Allende's own Socialist Party. Tapia, who has long congressional staff experience, will be a useful legal adviser to the President in the battle to retain his extensive executive powers against legislative challenges.



Frei

New urgency has been brought to this contest by Allende's veto of the opposition's constitutional reform that embodies important new economic ground rules. A compromise on the matter negotiated with the Christian Democrats through the good offices of the moderate Radical faction was rejected by extremist Socialist coalition leaders, triggering the Radical faction's defection. Their thirteen legislators may swell the opposition majority in Congress on critical votes. Responding to Christian Democratic demands for a plebiscite on the reform measure, Allende has threatened instead to call for public approval of the dissolution of Congress.

~~In this and other matters, Allende is finding it more and more difficult to defy the Socialist~~

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The more cautious Communists, critical of Allende on many counts, prefer to hew the legal line as far as possible, while simultaneously building mass support through labor and other organizational elements. The Communists are painfully aware that antipathy in the Chilean military toward the government is focused on them. They still fear that too abrupt or strong measures might trigger military reaction.

Interest in mid-term elections, in Colombia as elsewhere, is usually low. Sunday's elections, however, may be different. Importance is attached to the Sunday vote since it will have a significant bearing on the political atmosphere as the country prepares for the 1974 general elections. The 1974 campaign will be the first open to all comers since the National Front came to power in 1958. Under the terms of the agreement under which the National Front has operated, the two traditional parties—the Liberals and the Conservatives—have alternated the presidency between them every four years.

The Liberal and Conservative parties are each split into various factions, and neither is the potent political force it once was. Rojas' alliance, on the other hand, is a well-disciplined and united political force. It appeals to low-income groups and those disillusioned with the political and economic oligarchies that dominate the front parties.

On Sunday it is likely that the alliance will increase its proportion of the vote beyond the 39 percent received in the 1970 general elections. If so, it will be the largest single political party in the country. The government may have difficulty keeping public order over the next few weeks. Public school teachers remain on strike; they have been joined by sympathetic university students. Disturbances in several major cities have caused substantial property damage. The alliance and other opposition elements fear that the government plans to ensure victory at the polls through fraudulent means. If the results show an appreciable decline in alliance strength, there may be outbursts of violence by the movement's supporters. Security forces are reported to be tense and prepared for trouble, and there could be serious confrontations.

COLOMBIA:

CHALLENGING THE OLIGARCHY

The mass-based National Popular Alliance, led by ex-dictator General Rojas Pinilla, is offering a powerful challenge to the ruling coalition in elections on 16 April.

The elections will fill all seats for municipal councils and departmental legislatures. Rojas' alliance now controls directly, or through coalitions, 16 of the 22 departmental legislatures as well as between 600 and 700 of the 922 municipal councils.

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SOFT BROOM AT THE UN

Secretary General Waldheim has been three months in office. He is a diplomat of some skill and greater caution, an administrator who can shuffle tasks among high-level subordinates without encouraging bureaucratic infighting. He is determined to show that skepticism about his qualifications for the post was unjustified. His score card is mixed.

Waldheim's major diplomatic accomplishment has been a secret three-point written agreement during his trip to South Africa in March that would establish a special UN representative for the disputed territory of South-West Africa. Pretoria also formally acknowledged the goal of self-determination for the territory's inhabitants. These terms have surfaced in the press, however, and have been disavowed by Pretoria. Waldheim will as a result be hard-pressed to maintain a dialogue with the Vorster government.

Some distinct minuses also must be recorded. For weeks, the secretary general was indecisive in pressing for relief to Bangladesh and thereby lost to the USSR the task of dredging the harbors. Only his recent appointment of the highly regarded Sir Robert Jackson of Australia to head the relief operations has promised to breathe new life into this UN activity.

When Waldheim entered his job, he emphasized the importance of solving the UN's financial

problems and winning great-power acceptance of the secretariat's peace-keeping role. His economizing measures have made him the butt of jokes within the secretariat, but have done little to spur member states into making the kind of contributions that would make up the huge deficit. Moreover, in the current debate over increasing the number of UN observers along the Israel-Lebanon border, Waldheim has shown no inclination to use the powers he already has. Although perhaps not a decisive test, his lassitude in this case suggests he is unlikely to be either venturesome or innovative in using his office in peace-keeping roles.

A mixed assessment must be given, also, to Waldheim's revamping of the secretariat. He has appointed Peking's Tang Ming-chao to the new post of undersecretary general for political affairs and decolonization but has left Tang's charter unclear—a tactic that may provoke a squabble with the Soviet undersecretary general whose portfolio includes some responsibility for African affairs. F. Bradford Morse of the US has been given the position long held by the late Ralph Bunche but not Bunche's peace-keeping responsibilities. They have been given to Undersecretary General Guyer of Argentina in the hope that the Soviets would accept a stronger secretariat involvement in peace-keeping operations if that responsibility were not vested in an American.

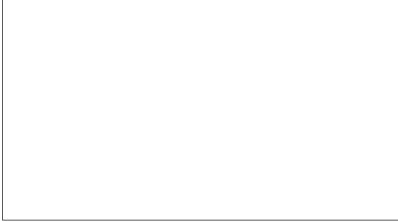
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